



PUBLIC NOTICE

Federal Communications Commission
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DA 00-2086
September 12, 2000

**Progress Telecommunications Corporation Seeks Commission
Determination of "Exempt Telecommunications Company" Status
Under the Public Utility Holding Company Act**

NSD File No: ETC 00-38
Pleading Cycle Established

Comments Due: October 3, 2000

Reply Comments Due: October 10, 2000

On August 18, 2000, Progress Telecommunications Corporation ("Progress" or "Applicant"), pursuant to section 34(a)(1) of the Public Utility Holding Company Act of 1935 ("PUHCA"), as added by section 103 of the Telecommunications Act of 1996, Pub. L. No. 104-104, filed an application requesting a Commission determination that it is an exempt telecommunications company ("ETC").

The application states that Progress, a Florida corporation, is an indirect wholly-owned subsidiary of Florida Progress Corporation ("FPC"). FPC is an exempt public utility holding company under PUHCA by virtue of its ownership of Florida Power Corporation, an electric utility serving customers in Florida. CP&L Energy, Inc., which also is an exempt holding company under PUHCA, is the parent company of Carolina Power and Light Company ("CP&L"), an electric utility serving customers in North and South Carolina. FPC and CP&L Energy, Inc. have entered into a share exchange agreement pursuant to which CP&L Energy will acquire FPC, and CP&L Energy has applied for Securities and Exchange Commission ("SEC") approval of that transaction. Upon the closing of the share exchange transaction, CP&L Energy, Inc. will become a registered holding company under PUHCA.

The application states that Progress is and will be engaged, directly or indirectly through one or more "affiliates" (as defined in Section 2(a)(11)(B) of the PUHCA), exclusively in the business of providing telecommunications services, information services, other services or products subject to the jurisdiction of the Commission and/or products or services that are related or incidental to the provision of such products or services within the meaning of Section 34(a)(1) of PUHCA. In connection with the share exchange transaction, Progress is expected to take ownership of Caronet, Inc. ("Caronet"), the wholly-owned telecommunications subsidiary of CP&L, and to manage and operate the combined fiber networks of Progress and Caronet. Caronet has filed a separate application (NSD-L-00-37) for a determination of its ETC status.

The application further states that Progress is certificated in Florida as an Alternative Local Exchange Carrier ("ALEC"). Progress currently offers, and will continue to offer, telecommunications services, and to provide dark fiber for communications services, to affiliated and

non-affiliated companies, including companies offering energy and energy-related products and services. Progress states that it operates as a carrier's carrier, offering broadband capacity services to other telecommunications carriers on a wholesale basis. Although permitted under its ALEC certification, Progress does not currently offer retail telecommunications services to end-users. The application also states that Progress may in the future, directly or indirectly through one or more affiliates, engage in such other business activities as are consistent with the definition of an ETC set forth in Section 34(a)(1) of PUHCA.

In accordance with 47 C.F.R. section 1.5004, if the Commission does not issue an order denying an ETC application within 60 days of receipt of the application, in this case, August 18, 2000, the application will be deemed granted as a matter of law. In accordance with 47 C.F.R. section 1.5003, a person applying in good faith for a Commission determination of ETC status is deemed to be an ETC from the date of receipt of the application, in this case, August 18, 2000, until the date of Commission action pursuant to 47 C.F.R. section 1.5004. In accord with 47 C.F.R. section 1.5005, the Secretary of the Commission is now notifying the Securities and Exchange Commission (SEC) that the Applicant is deemed to be an exempt telecommunications company. In the event that the Commission issues an order within 60 days of receipt of the application denying the application, the Secretary will so notify the SEC. Otherwise, the Commission will take no further action to grant this application.

This proceeding is considered a "permit but disclose" proceeding for purposes of the Commission's *ex parte* rules. *See generally* 47 C.F.R. sections 1.1200 - 1.1206. Persons wishing to file comments, regarding the adequacy or accuracy of the Applicants' application requesting status as an ETC, must do so no later than **October 3, 2000**. All comments should also be served on the Applicants. Reply comments must be filed no later than **October 10, 2000**.

Interested parties should file an original and four copies of their comments with the Office of the Secretary, Federal Communications Commission, 445 Twelfth St., SW, Room TW-A325, Washington, D.C. 20554. In addition, parties should send one copy to ITS, at 1231 20th Street, NW, Washington, D.C. 20036 and two copies to Al McCloud, Common Carrier Bureau, Network Services Division, FCC, 445 12th Street, SW, Room 6-A320, Washington, D.C. 20554. All filings concerning any of the matters referenced in this Public Notice should refer to NSD file number, **ETC-00-38**.

The application will be available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC 20554. The application may also be purchased from the Commission's copy contractor, International Transcription Service, Inc. (ITS), 1231 20TH Street, NW, Washington, DC 20036, telephone 202-857-3800, facsimile 202-857-3805, TTY 202-293-8810.

For further information, contact Al McCloud, (202) 418-2499 (voice), amcccloud@fcc.gov or Marty Schwimmer, (202) 418-2320 (voice), mschwimm@fcc.gov, of the Network Services Division, Common Carrier Bureau. The TTY number is (202) 418-0484.

You may also find more information about Exempt Telecommunications Companies at the NSD website: <http://www.fcc.gov/ccb/nsd/documents/ETC.html>.

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